

CWEP BOARD MEETING MINUTES

January 16, 2020

The Carthage Water & Electric Plant Board met in regular session January 16, 2020, 4:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

Board:

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| <input checked="" type="checkbox"/> Neel Baucom- President | <input checked="" type="checkbox"/> Brian Schmidt - Member |
| <input checked="" type="checkbox"/> Danny Lambeth -Vice President | <input checked="" type="checkbox"/> Ron Ross – Member |
| <input checked="" type="checkbox"/> G. Stephen Beimdiek -Secretary | <input checked="" type="checkbox"/> Pat Goff - Member |
| <input checked="" type="checkbox"/> Darren Collier -Liaison | |

Staff:

- | | |
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| <input checked="" type="checkbox"/> Chuck Bryant-General Manager | <input checked="" type="checkbox"/> Jason Choate-Director of Water Services |
| <input checked="" type="checkbox"/> Cassandra Ludwig-General Counsel | <input checked="" type="checkbox"/> Kelli Nugent/CFO |
| <input checked="" type="checkbox"/> Jason Peterson-Director IT & Broadband | <input checked="" type="checkbox"/> Kevin Emery-Director of Power Services |
| <input checked="" type="checkbox"/> Megan Stump- Executive Assistant | <input checked="" type="checkbox"/> Stephanie Howard-Director of Business & ED |
| <input type="checkbox"/> Meagan Milliken-Customer Relations Mgr. | |

President Baucom called the meeting to order at 4:01 p.m.

ADDITIONS/CHANGES TO THE AGENDA:

General Manager Bryant informed the Board on the change to the agenda of removing the agenda item for the Resolution of Vladimir Vavilov. This will be postponed until Vavilov is able to attend.

APPROVAL OF MINUTES:

A motion by Goff and seconded by Schmidt to approve the minutes of the regular meeting of December 19, 2019 as presented passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Lambeth and seconded by Beimdiek to approve disbursements for December in the amount of \$2,920,905.94 passed unanimously.

FINANCIAL STATEMENT:

CFO Nugent presented the financials for December noting that the net income for the utility combined was ahead of budget but 53% lower than prior year. The trend continues year to date with net income coming in an 34% higher than budget but slightly lower than prior year.

Operating revenues for all departments were higher than budget for the month and operating expenses were slightly higher than budget for the month. She noted that for the year to date, revenues were higher than budget for every department with the exception of Electric. Year to date power and water loss percentages came in at 2.51% and 10.92%, respectively.

A motion by Ross and seconded by Beimdiek to approve December financials passed unanimously.

CITIZEN'S PARTICIPATION PERIOD: None.

OLD BUSINESS: None.

NEW BUSINESS:

CONSIDERATION OF BACKHOE LEASES

General Manager Bryant reviewed the process used over the last many years on entering a lease/purchase agreement for backhoe equipment from local dealer Fabick. GM Bryant recommends that Carthage Water and Electric Plant move forward with the approval of the lease agreements for the two backhoe loaders.

A motion by Beimdiek and seconded by Schmidt to approve the lease with Caterpillar for two backhoe loaders passed unanimously.

CONSIDERATION OF WASTEWATER COLLECTION SYSTEM MAINTENANCE AND INSPECTION PROGRAM PLANNING

General Manager Bryant presented the wastewater collection system maintenance and inspection program planning by HDR to the board. Bryant reported this program will help assess inventory and develop a plan to identify solutions to the wastewater collection system.

A motion by Goff and seconded by Lambeth to approve the wastewater collection system maintenance and inspection program planning by HDR passed unanimously.

CONSIDERATION FOR THE PURCHASE OF A TENSIONER TRAILER

General Manager Bryant noted a formal bid request was advertised and issued to vendors for the purchase of a single-drum puller tensioner trailer. Of those who received the request, Brooks Brothers Trailers was the only respondent to submit a proposal for this trailer. Their submitted proposal amount was \$99,050.00 which was below CWEP's budgeted amount of \$100,000.00. GM Bryant recommends that Brooks Brothers Trailers be awarded this purchase. A motion by Ross and seconded by Beimdiek to approve the purchase of a single-drum puller tensioner trailer passed unanimously.

PRESENTATION OF CYBER SECURITY REPORT

General Manager Bryant reported Carthage Water and Electric applied for Cyber Security assessment in 2018. In October of 2019, Burns and McDonnell came to CWEP to assess how well Cyber Security was being implemented in the company. GM Bryant introduced Director IT and Broadband Peterson to talk about the findings Burns and McDonnell had and the steps CWEP will need to make to make things more secure.

STAFF REPORTS:

General Manager Bryant gave updates on Sikeston and Plum Point. He noted Allgeier Martin will be overseeing a detailed inspection of transformer 2-1 due to an elevated ethane level. GM Bryant reported Justin Ralston and Noah Smith have completed their apprenticeships to become Journeyman Lineman, Chance Adams has completed the second year of his apprenticeship and will begin his third year in January, Chris Perry will be starting his first-year apprenticeship in January. Bryant informed the board that Well #1 is down, he added Wastewater Treatment Plant upgrades will begin in February. Bryant added AMI staff had a preproposal meeting and have been hard at work this week

CFO Nugent noted her department is actively interviewing for the Customer Service Representative position. As per the requirements of the investment policy, CFO Nugent presented the Schedule of Investments as of December 31, 2019.

General Counsel Ludwig provided the Board with a legislative update.

Director of Power Services Emery informed the board that Poor Boy finished their tree trimming services for the fiscal year.

Director of Water Services Choate noted Troy Westrum was in town this week to help track down a possible water leak in the system that was causing a significant water loss. Choate reported the leak was found and repaired.

Director of Business and ED Howard gave an update on the distribution center.

Executive Assistant Stump informed the Board Customer Relations Manager Milliken is now on maternity leave, she had a healthy baby girl.

At 5:34 p.m. the meeting adjourned.

President – Neel Baucom

Secretary – Steve Beimdiek